

Message Text

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44

ACTION NEA-12

INFO OCT-01 ADP-00 SSO-00 NSCE-00 USIE-00 INRE-00 CIAE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01

PRS-01 SS-15 OMB-01 TRSE-00 COME-00 EB-11 RSR-01

(ADP) W

----- 093803

O R 301430Z JUL 73

FM AMEMBASSY JIDDA

TO SECDEF WASHDC IMMEDIATE

SECSTATE WASHDC IMMEDIATE 4509

DA WASHDC IMMEDIATE

INFO COE MEDDIV LIVORNO

USMTM DHAHRAN

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DOD FOR ISA/MR. NOYES FROM AMBASSADOR

DA FOR AMC AND DALO-ILS-D

EO 11652: N/A

TAGS: MASS, SA

SUBJ: MODA PURCHASE OF MILITARY VEHICLES

REF: A. AMC MSG DTG 291548Z JUN 73

B. DA WASH DTG 262033Z JUL 73

C. SALES CASES UIL, UIM, UIY

1. EMBASSY, AND CORPS OF ENGINEERS AS WELL, FINDS
NEWS 20-PERCENT PRICE INCREASE IN 2 1/2-TON TRUCKS MOST UNFOR-
TUNATE DEVELOPMENT. FIRST INDICATION EMBASSY OR COE HAD OF THIS
INCREASE WAS REF B, RECEIVED 28 JULY, NINE DAYS AFTER SAUDIS HAD
SIGNED SALES CASES UNDER REFERENCE. INITIAL NOTICE OF PRICE
INCREASE (REF A) ORIGINALLY NOT TRANSMITTED TO EMBASSY OR COE
(IT SUBSEQUENTLY REPEATED TO JIDDA 29 JULY FOLLOWING EMBASSY
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INQUIRY AFTER RECEIPT REF B).

2. THROUGHOUT DISCUSSIONS WITH SAG, PRICE OF VEHICLES HAS BEEN A MAJOR FACTOR IN ALL DISCUSSIONS. IN REVIEWING VEHICLE PURCHASE PROGRAM, PRINCE SULTAN CLOSELY CONSIDERED PRICE IN WEIGHTING STRONG RECOMMENDATIONS OF HIS STAFF THAT SAG GO TO FOREIGN COMMERCIAL SOURCES FOR VEHICLES. WE ATTEMPTED IN EVERY CASE TO OFFER ACCURATE INFORMATION.

3. NOW THAT SULTAN HAS AGREED GO AHEAD WITH MAJOR PORTION VEHICLE PURCHASE PROGRAM, IT WOULD BE EXTREMELY EMBARRASSING BOTH TO EMBASSY AND TO SULTAN IF MODA OFFICIALS NOW INFORMED THAT INFO WE HAD PROVIDED PRINCE TO ASSIST HIM IN CONTRACT EVALUATION HAD BEEN INCORRECT, AND THAT TRUE FIGURES SHOULD HAVE BEEN APPROXIMATELY 20 PERCENT HIGHER. MODA OFFICERS WHO ADVISED AGAINST PURCHASE IN FIRST PLACE WILL CERTAINLY EXPLOIT INCIDENT TO QUESTION USG INTEGRITY, AND CLAIM WE UPPED PRICE ONCE OTHER OPTIONS ELIMINATED.

4. HAVING BEEN ASKED BY SULTAN FOR FULLEST INFORMATION AVAILABLE TO ASSIST MODA IN ITS REVIEW OF VEHICLE PURCHASE PROGRAM, AND HAVING FAILED TO INFORM HIM OF INFO CONTAINED IN REF A (INEXPLICABLY LOST SOMEWHERE IN USG CHANNELS IN TRANSMISSION TO POST AND COE), WE FEEL THAT BOTH SENSE OF EQUITY AND CONCERN FOR GOOD CONTINUED WORKING RELATIONSHIPS WITH MODA REQUIRE US TO SECURE ROLL-BACK TO MAXIMUM EXTENT POSSIBLE OF PROPOSED PRICE INCREASES. ATTENTION OF SENIOR DOD OFFICIALS IS URGENTLY REQUESTED SINCE IF WE CANNOT ROLL BACK PRICES TO ORIGINAL OFFERING LEVELS I FEAR WE SERIOUSLY RISK LOSING BOTH SALE AND DAMAGE TO OUR REPUTATION FOR INTEGRITY AND RELIABILITY.
THACHER

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Message Attributes

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Draft Date: 30 JUL 1973
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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TAGS: MASS, SA, US
To: n/a
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